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September 21, 2007

VIA HAND DELIVERY
& E-FILE

Hon. Mary Pat Thyng
United States Magistrate Judge
United States District Court
District of Delaware
J. Caleb Boggs Federal Building
844 N. King Street
Wilmington, DE 19801

**Re: *Ad Hoc Committee of Equity Holders of
Tectonic Network, Inc. v. Wolford, et al. (D. Del. No. 06-665)***

Dear Judge Thyng:

We represent plaintiff along with co-counsel Herbert Ross of Olshan Grundman Frome Rosenzweig & Wolosky LLP. We write this letter as the interim report required under paragraph 7 in Your Honor's Scheduling Order in this action. That Order also provides for a teleconference on September 28, 2007, at 8:30 am, with Your Honor. This letter constitutes a joint report with the consent of defendants' counsel.

Nature of the Matters in Issue

Plaintiff is an unincorporated association consisting of public shareholders who owned approximately fifty percent of the stock of Tectonic Network, Inc. ("Tectonic") prior to the cancellation of all shares of stock in that company and issuance of new shares under its plan of reorganization in its since completed bankruptcy proceedings. In its complaint in this action, plaintiff seeks damages on claims of fraud against defendants Arol Woford and Sherwin Krug

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and claims of breach of fiduciary duties against all defendants as officers and/or directors of Tectonic. Defendants Arol Wolford and Charles McRoberts remain officers and directors of Tectonic. The other defendants are former officers and/or directors of Tectonic.

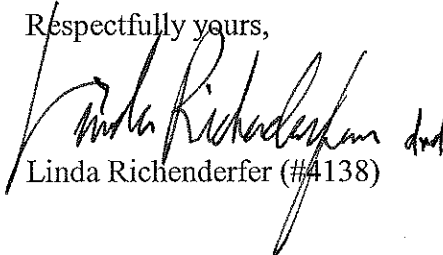
Defendants have moved to dismiss the complaint. Their motion to dismiss based on arguments of lack of subject matter jurisdiction, insufficiency of service of the summons and complaint, and insufficiency of the allegations in the complaint is *sub judice* before Your Honor pursuant to the agreement of the parties for Your Honor to decide that motion. Plaintiff filed papers in opposition to that motion. By letter dated March 27, 2007, counsel for the defendants withdrew that part of their motion, which asserted insufficiency of service of the summons and complaint.

The Progress of Discovery to Date

Counsel for plaintiff and counsel for defendants served initial disclosures in early April 2007.

Counsel for plaintiff served a request for the production of documents on defendants on April 26, 2007. Defendants requested and were granted a thirty-day extension (to and including June 29, 2007) in which to serve their written response to the request and to produce responsive documents. Plaintiff's counsel received defendants' written response to the request on July 13, 2007 and the first installment of defendants' production on September 4, 2007, and received a week ago, i.e., on September 14, 2007, a set of additional documents from defendants' counsel. On September 4, 2007, the Court held a conference on the request of plaintiff for an order compelling defendants to produce all responsive documents and a log of documents withheld on a claim of privilege. Defendants' counsel furnished a log on September 13, 2007.

Respectfully yours,



Linda Richenderfer (#4138)

cc: John Parker, Esq. (by facsimile- 404-685-5222)
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